GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration and Urban Development Department -Development of Economic Cities in the State of Andhra Pradesh to create walk to work environment by providing good quality of life – Guidelines - Orders – Issued. -

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MUNCIPAL ADMINISTRATION & URBAN DEVELOPMENT (UBS) DEPARTMENT

G.O.Ms.No.244 Dated 13 -10-2016

O R D E R:

The State of Andhra Pradesh is a developing State and urban population constitutes 30% of its total population as per 2011 census. Today urbanisation is no longer limited to large urban agglomerations such as municipal corporations, metropolitan areas and cities, but it is rapidly spreading to small and medium sized towns such as municipalities, nagar panchayats and even some rural areas. The state is likely to witness rapid and extensive urbanization which is expected to reach 43% in the next 15 years. The vision of the Government is to become one among the three leading Indian States by the year 2022, and to become a developed State by the year 2029. The cities in the state are envisioned to be globally competitive cities with access to not only best in class infrastructure, education and social life but also be productive, inclusive, sustainable, smart and well- governed. The Urban Local Bodies in the State will be progressive, financially independent and innovative.

2. In order to maximise benefits accruing from urbanisation and make a structural shift from being an agriculture-based economy towards a high growth trajectory through enhancement of service sector by attracting large scale private investment in sectors that previously were not touched by the market, such as affordable housing, healthcare, and other social infrastructure along with scope of social and recreational amenities and act as a catalyst to economic development and channel urbanisation in a planned manner by locating large scale projects which are economically and socially self-sustainable which can be Termed as Economic Cities in a broader sense**.**

3. Towards realizing this vision of making the small urban areas into Economic Cities, Government formulate the following:

1. To build a self-sustaining ecosystem that generates its own economic growth, provides housing to all sections of employees and caters to their social and recreational needs for which the two pre-requisites would be large parcel of land and sufficient capital for investment. Such development could either be initiated by a private developer on private land or be initiated by the government by inviting private developers to develop government land. The state would provide fiscal and qualitative incentives to the developers as a way of giving motivation to the development of Economic Cities. The projects **with minimum area of 100 acres** shall qualify for **Mega Projects** outside the municipal limit and **minimum of 25 acres** within the municipal limits subject to local conditions to create **walk to work environment.**

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2. The Economic City, offering economic , residential and social elements to its inhabitants and employees should have area demarcated for each component in proportionate to the needs of the city as mentioned below:

S.No.	Components	Details
1.	i. Service	Service Sector, Light and Green Industries, Institutional uses such as knowledge based, logistics and support system.
	ii. Commercial	Retail Parks, Malls etc
2.	Mixed Residential	: HIG, MIG and High End Housing : Affordable Housing component (30% DUs) To be reserved for LIG & EWS (LIG:30-60 Sqm CA & EWS: 27-30 Sqm CA)
3.	Recreational and Social amenities.	Educational and Health facilities, entertainment, convention centres, exhibition, hotels and service apartments etc.,.

4. The Models of development shall be as under:

Private development on Private land

For private developers area located near existing industrial and economic nodes, development of economic cities can be a lucrative investment and they shall prepare a **Preliminary Project Report (PPR)** according to the standard template and submit the same to the ULB concerned. The proposal must adhere to the AP Building Laws and other norms of construction of mega projects. The ULB would then recommend the project to APTSIDCO along with its suggestions. The APTSIDCO shall prepare an Evaluation Report which would be forwarded to the **Urban Infrastructure Promotion Committee (UIPC)**. The UIPC would examine and evaluate the project based on its **contribution to GSDP, investment proposed, employment generation, affordable housing units and tax contribution to the state**. With the approval of the UIPC, the proposal will be placed before UIPB. The final decision lies with the UIPB for acceptance of proposal.

Private development on Government land:

The large land parcels owned by the Government will be identified by the ULB or local agency and prepare a Detailed Project Report (DPR) with the help of APTSIDCO to develop an Economic City duly adhering to the town planning norms ,building guidelines and other regulations that will be issued by the Government from time to time . Upon finalization of DPR, the ULB will invite tenders through APTSIDCO for selection of private develops on transparent bidding process. The bidding and selection of private developer would be done after evaluating the technical and financial soundness of the developer and as per the guidelines enlisted in the Andhra Pradesh Infrastructure Development Enabling Act, 2001 (APIDE Act, 2001). As Industries department have already developed large land parcels across State as Industrial Parks where large amount of employment has already been generated and considering the objectives of state to promote walk to work environment by providing good quality of life the new venture of

development should either near to those industrial parks or within the industrial parks subject to availability of land to the extent possible.

5. With an aim to promote development of Economic Cities that add to economic growth through value addition and job creation as well as aid the housing shortage in the state, the Government shall act as a facilitator by providing various incentives to private developers. (1) that the Project approval is given in 21 days under Single Window Clearance (2) Occupation Certificate shall be issued based on certification by an empanelled Professional (3) Incentive for green and sustainable projects shall be given in form of additional BUA (4) All the payments payable to Government Departments shall be deposited through single challan on per Sq. mt basis (5) External infrastructure up to the layout shall be provided by the ULB or Development Authority in time bound manner (6) Waiver of the UDA Charges and Infrastructure deposits and Other Charges (7) Exemption from the land use conversion charges for land use modification to Statutory Master Plan/ZDP for whole Project. (8) Exemption from City level Impact fee (9) Exemption from the Payment of VAT (10) Exemption from the Payment of Labour Cess (11) Exemption from all taxes and charges for entire project except central taxes and (12) Exemption of Stamp duty for first transaction of land to end user. But these incentives shall be decided by UIPB on the recommendations of UIPC on case to case basis.

6. In the same way on the basis of economic impact and employment generation of each Project including size of the Project, Model of administration either IALA model or any other model would be decided on case to case basis by the UIPB on the recommendations of UIPC.

7. The Andhra Pradesh Township and Infrastructure Development Corporation (APTSIDCO) shall be the Nodal Agency for development of Economic Cities.

8. There shall be three competent committees viz (A) Technical Committee (B) Urban Infrastructure Promotion Committee and (C) Urban Infrastructure Promotion Board to evaluate the Mega Projects and approve.

9. The orders constituting the three Committees together with functional role shall be issued separately.

10. The Vice Chairman and Managing Director, Andhra Pradesh Township and Infrastructure Development Corporation, Vijayawada shall take necessary further action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh Township and Infrastructure Development Corporation, Vijayawada
Copy to:
The Director, Municipal Administration, Guntur,
The Managing Director, APUFIDC, Guntur.
The Mission Director, MEPMA, Guntur.
All the District Collectors
Sf/Sc

//FORWARDED BY ORDER//

SECTION OFFICER